

Studsvik

Interim Report
January-March 2017



- Sales in the quarter were SEK 179.6 (171.6) million. In local currencies sales increased by 3 per cent.
- Operating profit for the quarter amounted to SEK –2.0 (10.7) million. Items affecting comparability reduced earnings by SEK 4.2 (0) million.
- Free cash flow for the quarter was SEK –4.2 (–2.2) million.

| | January- March 2017 | January- March 2016 | Full year 2016 |
|---------------------------------|------------------------|------------------------|-------------------|
| Sales, SEK million | 179.6 | 171.6 | 758.8 |
| Operating profit, SEK million | –2.0 | 10.7 | 24.7 |
| Profit after tax, SEK million | –8.5 | 5.9 | 17.0 |
| Free cash flow, SEK million* | –4.2 | –2.2 | 129.6 |
| Net debt, SEK million | 8.4 | 149.6 | 2.9 |
| Net debt/equity ratio, % | 2.5 | 52.4 | 0.8 |
| Profit per share after tax, SEK | –1.04 | 0.72 | 2.07 |
| Equity per share, SEK* | 41.45 | 34.72 | 42.41 |

*Refers to total operations

Unless otherwise stated, the information for 2016 in text and figures refers to operations excluding Waste Treatment, which was sold in 2016.



Sales

Sales increased in the quarter to SEK 179.6 (171.6) million. In local currencies, this was an increase of 3.2 per cent.

Profit

The operating profit decreased to SEK –2.0 (10.7) million. Items affecting comparability, mainly referring to staff cutbacks in the Executive Group Management and in the German consulting operations, reduced earnings by SEK 4.2 (0) million. Adjusted for these, the operating margin for the quarter was 1.2 (6.3) per cent. In the first quarter of 2016 royalties of SEK 16.7 million were received, related to THOR.

Net financial income in the quarter was SEK –7.4 (-8.6) million. Profit/loss before tax for units in continuing operations decreased to SEK –9.4 (2.1) million and after tax to SEK –8.5 (5.9) million.

Fuel and Materials Technology

Sales increased to SEK 52.5 (43.5) million. In local currencies, the increase was 20.7 per cent.

The operating profit decreased to SEK 5.8 (8.1) million and the operating margin was 11.0 (18.6) per cent. The operating margin for the quarter is negatively impacted by losses on forward exchange contracts (SEK 1.4 million), lower capacity utilization in ALARA consulting operations and low margin on intermediary services.

Demand is strong in both fuel and materials technology and we have good capacity utilization at the Studsvik facility.

Studsvik Scandpower

Sales increased to SEK 19.7 (18.0) million. In local currencies, the increase was 5.3 per cent. The operating profit decreased to SEK –3.6 (-2.7) million. The operating margin was –18.3 (-15.0) per cent. The deterioration in the operating margin is explained by costs to strengthen the business area's sales in China, among other things. Sales of consultancy services related to our software increased in the quarter and demand for software continues to be good. Some progress has been made on export licenses for ordered software totaling SEK 26 million to China. However, it is still unclear when the American authorities may grant the application.

Consultancy Services

Sales decreased to SEK 103.4 (109.6) million. In local currencies the decrease was 7.2 per cent. The operating profit decreased to SEK 1.6 (12.4) million. Costs affecting comparability referring to staff cutbacks impacted earnings by SEK –1.4 million (0). Adjusted for items affecting comparability, the operating margin for the quarter was 2.9 (11.3) per cent. In the first quarter of 2016 royalties of SEK 16.7 million were received related to THOR. Profit in the underlying consulting operations, adjusted for royalties and items affecting comparability, thus improved by SEK 7.3 million. The improvement is driven by a higher billed time ratio in the USA and Germany, as well as lower costs in England.

Investments

Investments for the continuing operations were SEK 5.1 (4.2) million. The investments mainly refer to equipment for mechanical testing.

Cash flow

Cash flow from operating activities was SEK –1.6 (1.7) million and the free cash flow was SEK –4.2 (-2.2) million.

Financial position and liquidity

Cash and cash equivalents amounted to SEK 194.0 (185.5) million. Net interest-bearing debt at the close of the quarter was SEK 8.4 (149.6) million, which means that the net debt/equity ratio was 2.5 (52.4) per cent.

Personnel

The average number of employees was 633 (697). The decrease refers to fewer employees in the consulting operations in Germany and England.

Transactions with related parties

During the quarter a dividend of SEK 2 (3) million was received from UK Nuclear Waste Management Ltd.

Parent company

Operations in the parent company consist of coordination of the Group. Parent company sales were SEK 5.2 (4.7) million. The loss after financial items was SEK –8.4 million (-12.0). Cash and cash equivalents including current investments amounted to SEK 73.8 (61.5) million and interest-bearing liabilities to SEK 200 (200) million.

Risks and uncertainties

An overall analysis of the Group's risks and how they are dealt with is given in the Annual Report for 2016, which is available on the company's website. Apart from these risks, no further significant risks are deemed to have arisen.

Accounting policies

The interim report has been prepared in accordance with IAS 34 and the Annual Accounts Act. The consolidated accounts for the Studsvik Group have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board recommendation RFR 1, Supplementary accounting rules for groups, International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the EU. There is a description of these accounting policies in the annual report. The consolidated accounts have been prepared in accordance with the historical cost method, except as regards financial assets and liabilities carried at fair value through profit or loss.

The interim report for the parent company was prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for legal entities.

The interim financial information on pages 4-13 forms an integral part of this financial report.

Stockholm, April 27, 2017

Michael Mononen
President

This report has not been reviewed by the company's auditor.

Time Schedule for Financial Information

| | |
|---------------------------------------|------------------|
| Interim Report January–June 2017 | July 21, 2017 |
| Interim Report January–September 2017 | October 20, 2017 |
| Year-End Report January–December 2017 | February 2018 |

For further information, please contact

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The interim report will be presented at a telephone conference to be held in English on April 27, at 2:30 pm CET. Further information for those interested in participating is available at www.studsvik.com.

Consolidated statement of profit or loss and other comprehensive income

Amounts in SEK million

| | January- March 2016 | January- March 2016 | Full year 2016 |
|---|------------------------|------------------------|-------------------|
| Net sales | 179.6 | 171.6 | 758.8 |
| Cost of services sold* | -128.5 | -121.7 | -535.3 |
| Gross profit | 51.1 | 49.9 | 223.5 |
| Selling and marketing expenses | -10.8 | -9.8 | -44.4 |
| Administrative expenses* | -30.8 | -24.9 | -112.8 |
| Research and development costs | -7.3 | -6.0 | -27.5 |
| Share in earnings from associated companies | 1.6 | 3.3 | 4.1 |
| Other operating income | 0.3 | 1.3 | 8.2 |
| Other operating expenses | -6.1 | -3.1 | -26.4 |
| Operating profit | -2.0 | 10.7 | 24.7 |
| Financial income | 0.0 | 0.0 | 0.1 |
| Financial expenses | -4.1 | -4.2 | -25.0 |
| Fair value gain/loss (realized and unrealized) | -3.3 | -4.4 | 8.5 |
| Profit/loss before tax | -9.4 | 2.1 | 8.3 |
| Income tax | 0.9 | 3.9 | 8.7 |
| Profit/loss for the period from continuing operations | -8.5 | 5.9 | 17.0 |
| Operations held for sale | Note 1 | | |
| Profit/loss for the period from operations held for sale | - | -12.5 | 46.0 |
| NET PROFIT/LOSS FOR THE PERIOD | -8.5 | -6.6 | 63.0 |
| Other comprehensive income | | | |
| Items that may later be reversed in the income statement | | | |
| Translation differences on foreign subsidiaries | 0.2 | -8.6 | -13.5 |
| Cash flow hedging | 0.6 | 2.8 | 0.8 |
| Income tax on items recognized in other comprehensive income | -0.1 | -0.6 | -0.2 |
| Other comprehensive income for the period, net after tax | 0.7 | -6.4 | -12.9 |
| Total profit/loss and other comprehensive income for the period | -7.8 | -13.0 | 50.1 |
| Income for the period attributable to | | | |
| Parent company's shareholders | -8.5 | -6.6 | 63.0 |
| Non-controlling interests | 0.0 | 0.0 | 0.0 |
| Total comprehensive income attributable to | | | |
| Parent company's shareholders | -7.8 | -13.0 | 50.0 |
| Non-controlling interests | 0.0 | 0.0 | 0.1 |
| Earnings per share calculated on income attributable to the parent company's shareholders during the period, SEK | | | |
| Earnings per share (There is no dilution effect) | | | |
| Profit/loss from continuing operations | -1.04 | 0.72 | 2.07 |
| Profit/loss from operations for sale | 0.00 | -1.52 | 5.60 |
| NET PROFIT/LOSS FOR THE PERIOD | -1.04 | -0.80 | 7.67 |

*An adjustment between expense types has been made for 2016 to ensure comparability with 2017. For the quarter Administrative expenses has been decreased with 4,9 MSEK and Cost of services sold has been increased with 4,9 MSEK

Group statement of financial position

Amounts in SEK million

| | | March 2017 | March 2016 | December 2016 |
|--|--------|---------------|----------------|------------------|
| ASSETS | | | | |
| Intangible assets | | 176.7 | 172.2 | 178.0 |
| Property, plant and equipment | | 113.4 | 112.9 | 113.3 |
| Other non-current assets | | 154.7 | 116.0 | 155.8 |
| Total non-current assets | | 444.8 | 401.1 | 447.1 |
| Inventories | | 2.4 | 2.3 | 2.0 |
| Trade receivables | | 144.6 | 148.6 | 150.8 |
| Other current receivables | | 112.0 | 74.5 | 105.7 |
| Cash and cash equivalents | | 190.3 | 147.5 | 195.4 |
| Total current assets | | 449.3 | 372.9 | 453.9 |
| Assets in disposal group held for sale | Note 1 | – | 275.3 | 0.0 |
| TOTAL ASSETS | | 894.1 | 1,049.3 | 901.0 |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to parent company's shareholders | | 340.3 | 285.0 | 348.1 |
| Non-controlling interests | | 0.4 | 0.3 | 0.4 |
| Total equity | | 340.7 | 285.3 | 348.5 |
| Borrowing | | 198.7 | 297.1 | 198.2 |
| Provisions and other non-current liabilities | | 160.7 | 112.4 | 161.7 |
| Total non-current liabilities | | 359.4 | 409.5 | 359.9 |
| Trade and other payables | | 194.0 | 185.5 | 192.6 |
| Borrowing | | 0.0 | 0.0 | 0.0 |
| Total current liabilities | | 194.0 | 185.5 | 192.6 |
| Liabilities in disposal group held for sale | Note 1 | – | 169.0 | 0.0 |
| TOTAL EQUITY AND LIABILITIES | | 894.1 | 1,049.3 | 901.0 |
| Pledged assets | | 238.4 | 148.9 | 238.4 |
| Contingent liabilities | | 70.6 | 60.0 | 71.7 |

Changes in equity

Amounts in SEK million

| | Share capital | Other contributed capital | Reserves | Retained earnings | Equity attributable to the parent company's shareholders | Non- controlling interest | Total equity |
|--|------------------|---------------------------------|-------------|----------------------|--|---------------------------------|--------------|
| Equity at December 31, 2015 | 8.2 | 225.3 | 15.5 | 49.0 | 297.9 | 0.3 | 298.3 |
| Changes January 1 – March 31, 2016 | | | | | | | |
| Comprehensive income for the period | – | – | –6.4 | –6.6 | –13.0 | – | –13.0 |
| Equity at September 30, 2015 | 8.2 | 225.3 | 9.1 | 42.4 | 285.0 | 0.3 | 285.3 |
| Changes April 1 – December 31, 2016 | | | | | | | |
| Comprehensive income for the period | – | – | –6.5 | 69.6 | 63.1 | 0.1 | 63.2 |
| Equity at December 31, 2015 | 8.2 | 225.3 | 2.6 | 112.0 | 348.1 | 0.4 | 348.5 |
| Changes January 1 – March 31, 2017 | | | | | | | |
| Comprehensive income for the period | – | – | 0.7 | –8.5 | –7.8 | – | –7.8 |
| Equity at March 31, 2017 | 8.2 | 225.3 | 3.3 | 103.5 | 340.3 | 0.4 | 340.7 |

Group statement of cash flow

Amounts in SEK million

| Total operations | January- March 2017 | January- March 2016 | Full year 2016 |
|---|------------------------|------------------------|-------------------|
| Cash flow from operating activities | | | |
| Operating profit | -2.0 | -1.7 | 70.0 |
| Adjustment for non-cash items | 2.7 | 6.1 | -43.7 |
| Financial items, net | -4.1 | -4.3 | -25.4 |
| Income tax paid | -0.5 | -5.1 | -8.3 |
| Cash flow from operating activities before change in working capital | -3.9 | -5.0 | -7.4 |
| Change in working capital | 2.3 | 6.7 | -48.8 |
| Cash flow from operating activities | -1.6 | 1.7 | -56.1 |
| Investing activities | | | |
| Acquisition of property, plant and equipment | -5.1 | -7.8 | -18.5 |
| Acquisition in associated companies | 0.0 | 0.0 | -12.1 |
| Divestment of subsidiaries | 0.0 | 0.0 | 206.1 |
| Dividend from associated companies | 2.5 | 3.0 | 9.7 |
| Other cash flow from investing activities | 0.0 | 0.9 | 0.5 |
| Cash flow from investment activities | -2.6 | -3.9 | 185.7 |
| Free cash flow | -4.2 | -2.2 | 129.6 |
| Financing activities | | | |
| Change in borrowing | - | 89.3 | -10.7 |
| Dividend to shareholders | - | - | - |
| Cash flow from financing activities | 0.0 | 89.3 | -10.7 |
| Changes in cash and cash equivalents | -4.2 | 87.2 | 118.9 |
| Cash and cash equivalents at the beginning of the period | 195.4 | 74.9 | 74.9 |
| Translation difference | -0.9 | -0.4 | 1.6 |
| Cash and cash equivalents at the end of the period | 190.3 | 161.7 | 195.4 |

Financial ratios for the Group

Amounts in SEK million

| | January- March 2017 | January- March 2016 | Full year 2016 |
|-------------------------------|------------------------|------------------------|-------------------|
| Margins | | | |
| Operating margin, % | -1.1 | 6.3 | 3.2 |
| Profit margin, % | -5.3 | 1.2 | 1.1 |
| Return on investment | | | |
| Return on capital employed, % | -0.4 | 2.5 | 7.3 |
| Return on equity, % | -2.5 | 2.0 | 5.3 |
| Capital structure | | | |
| Capital employed | 539.4 | 476.1 | 546.7 |
| Equity | 340.7 | 285.3 | 348.5 |
| Net debt | 8.4 | 149.6 | 2.9 |
| Net debt/equity ratio, % | 2.5 | 52.4 | 0.8 |
| Equity/assets ratio, % | 38.1 | 27.2 | 38.7 |
| Employees | | | |
| Average number of employees | 633 | 697 | 687 |
| Net sales per employee | 1.1 | 1.0 | 1.1 |

Data per share

| | January- March 2017 | January- March 2016 | Full year 2016 |
|---|------------------------|------------------------|-------------------|
| Number of shares at the end of the period | 8,218,611 | 8,218,611 | 8,218,611 |
| Average number of shares | 8,218,611 | 8,218,611 | 8,218,611 |
| Earnings per share before and after dilution | | | |
| Profit/loss from continuing operations | -1.04 | 0.72 | 2.07 |
| Profit/loss from operations held for sale | 0.00 | -1.52 | 5.60 |
| Profit/loss for the period | -1.04 | -0.80 | 7.67 |
| Equity per share, SEK | 41.45 | 34.72 | 42.41 |

Net sales per geographical area

Amounts in SEK million

| | October- December 2016 | October- December 2015 | Full year 2016 |
|---|------------------------------|------------------------------|-------------------|
| Sweden - from continuing operations | 37.6 | 30.1 | 180.4 |
| Europe, excluding Sweden - from continuing operations | 114.1 | 99.3 | 424.9 |
| North America | 18.2 | 37.9 | 101.5 |
| Asia | 9.7 | 4.3 | 30.6 |
| Other | 0.0 | 0.0 | 21.4 |
| Total | 179.6 | 171.6 | 758.8 |
| Sweden - operations held for sale | 0.0 | 10.7 | 18.3 |
| Europe - excluding Sweden – from operations to sale | 0.0 | 26.4 | 53.1 |
| Total operations | 179.6 | 208.7 | 830.2 |

Quarterly review

Amounts in SEK million

| | 2015 | | | | 2016 | | | | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Continuing operations | | | | | | | | | |
| Net sales | 156.8 | 177.7 | 189.8 | 197.0 | 171.6 | 176.3 | 164.6 | 246.3 | 179.6 |
| Operating expenses | -158.5 | -176.9 | -163.7 | -185.7 | -160.9 | -177.5 | -176.5 | -219.3 | -181.6 |
| Operating profit | -1.7 | 0.8 | 26.1 | 11.3 | 10.7 | -1.2 | -11.9 | 27.0 | -2.0 |
| Financial items, net | -1.9 | -4.4 | -5.4 | -5.9 | -8.7 | -1.7 | -2.5 | -3.4 | -7.4 |
| Profit/loss after financial items | -3.6 | -3.6 | 20.7 | 5.4 | 2.1 | -2.9 | -14.4 | 23.6 | -9.4 |

Financial data per segment

Amounts in SEK million

Total operations

| January-March 2017 | Waste Treatment* | Consultancy Services | Fuel and Materials Technology | Studsvik Scandpower | Other | Elimination | Group |
|-------------------------------|-----------------------------|---------------------------------|--|--------------------------------|--------------|--------------------|--------------|
| External sales revenue | – | 100.3 | 51.2 | 17.9 | 10.2 | – | 179.6 |
| Revenue from segment | – | 3.1 | 1.3 | 1.8 | 6.7 | –12.9 | 0.0 |
| Operating profit | – | 1.6 | 5.8 | –3.6 | –5.8 | 0.0 | –2.0 |
| Items affecting comparability | – | –1.4 | –0.3 | – | –2.5 | – | –4.2 |
| Adjusted operating profit | – | 3.0 | 6.1 | –3.6 | –3.3 | – | 2.2 |
| Assets | – | 395.0 | 168.5 | 112.5 | 491.8 | –273.7 | 894.1 |
| Liabilities | – | 329.4 | 145.2 | 32.3 | 320.2 | –273.7 | 553.4 |
| Investments | – | 1.0 | 4.1 | 0.0 | 0.0 | – | 5.1 |
| Depreciation/amortization | – | 0.5 | 2.4 | 0.2 | 0.9 | – | 4.0 |
| Average number of employees | – | 461 | 98 | 34 | 40 | – | 633 |

| January-March 2016 | Waste Treatment* | Consultancy Services | Fuel and Materials Technology | Studsvik Scandpower | Other | Elimination | Group |
|-------------------------------|-----------------------------|---------------------------------|--|--------------------------------|--------------|--------------------|--------------|
| External sales revenue | – | 106.6 | 42.9 | 14.6 | 7.5 | – | 171.6 |
| Revenue from segment | – | 3.0 | 0.6 | 3.4 | 4.7 | –11.7 | 0.0 |
| Operating profit | – | 12.2 | 8.0 | –2.7 | –6.8 | 0.0 | 10.7 |
| Items affecting comparability | – | – | – | – | – | – | – |
| Adjusted operating profit | – | 12.2 | 8.0 | –2.7 | –6.8 | – | 10.7 |
| Assets | 267.8 | 402.4 | 139.8 | 112.0 | 399.4 | –271.9 | 1,049.3 |
| Liabilities | 177.8 | 322.5 | 93.4 | 30.4 | 411.7 | –271.9 | 763.9 |
| Investments | – | 1.0 | 2.5 | 0.2 | 0.5 | – | 4.2 |
| Depreciation/amortization | – | 0.6 | 1.8 | 0.2 | 2.0 | – | 4.6 |
| Average number of employees | – | 522 | 93 | 32 | 50 | – | 697 |

| Full year 2016 | Waste Treatment* | Consultancy Services | Fuel and Materials Technology | Studsvik Scandpower | Other | Elimination | Group |
|-------------------------------|-----------------------------|---------------------------------|--|--------------------------------|--------------|--------------------|--------------|
| External sales revenue | – | 435.1 | 193.7 | 86.2 | 43.8 | – | 758.8 |
| Revenue from segment | – | 13.3 | 2.6 | 10.1 | 28.1 | –54.1 | 0.0 |
| Operating profit | – | 14.0 | 29.7 | 2.8 | –21.9 | – | 24.7 |
| Items affecting comparability | – | –13.4 | –0.8 | – | –2.9 | – | 17.0 |
| Adjusted operating profit | – | 27.4 | 30.5 | 2.8 | –19.0 | – | 41.7 |
| Assets | – | 425.1 | 167.8 | 110.1 | 487.4 | –289.4 | 901.0 |
| Liabilities | – | 353.1 | 142.8 | 28.3 | 317.7 | –289.4 | 554.6 |
| Investments | – | 2.4 | 11.7 | 0.1 | 1.1 | – | 15.3 |
| Depreciation/amortization | – | 2.9 | 7.5 | 0.8 | 6.4 | – | 17.6 |
| Average number of employees | – | 523 | 93 | 34 | 37 | – | 687 |

*Operations held for sale. For more information, please see Note 1.

Parent company income statement

| Amounts in SEK million | January- March 2017 | January- March 20156 | Full year 2016 |
|---|------------------------|-------------------------|-------------------|
| Net sales | 5.2 | 4.7 | 22.5 |
| Cost of services sold | -0.7 | -0.7 | -2.8 |
| Gross profit | 4.5 | 4.0 | 19.7 |
| Other operating income and costs | -9.0 | -10.3 | -36.0 |
| Operating profit | -4.5 | -6.3 | -16.3 |
| Result from participations in Group companies | 0.0 | 0.0 | 14.3 |
| Net financial items | -3.9 | -5.7 | -6.2 |
| Profit/loss before tax | -8.4 | -12.0 | -8.2 |
| Income tax | 1.8 | 2.6 | 4.1 |
| NET PROFIT/LOSS FOR THE PERIOD | -6.6 | -9.4 | -4.1 |

Parent company balance sheet

| Amounts in SEK million | March 2017 | March 2016 | Decemberr 2016 |
|-------------------------------------|---------------|---------------|-------------------|
| ASSETS | | | |
| Intangible assets | 2.4 | 3.1 | 2.6 |
| Property, plant and equipment | 0.0 | 0.0 | 0.0 |
| Financial non-current assets | 635.1 | 621.3 | 652.9 |
| Total non-current assets | 637.5 | 624.4 | 655.5 |
| Current assets | 21.1 | 53.9 | 24.1 |
| Cash and cash equivalents | 73.8 | 61.5 | 43.9 |
| Total current assets | 94.9 | 115.4 | 68.0 |
| TOTAL ASSETS | 732.4 | 739.8 | 723.5 |
| EQUITY AND LIABILITIES | | | |
| Equity | 280.2 | 281.4 | 286.8 |
| Provisions | - | - | - |
| Non-current liabilities | 266.8 | 364.5 | 267.0 |
| Current liabilities | 185.4 | 93.9 | 169.7 |
| Total liabilities | 452.2 | 458.4 | 436.7 |
| TOTAL EQUITY AND LIABILITIES | 732.4 | 739.8 | 723.5 |
| Pledged assets | 223.4 | 133.9 | 223.4 |
| Contingent liabilities | 4.3 | 5.3 | 5.3 |

Note 1 Operations held for sale

Assets and liabilities referring to the Waste Treatment business area have been

accounted for as held for sale.

Amounts in SEK million

| | January-March 2017 | January- March 2016 | Full year 2016 |
|---|-----------------------|------------------------|-------------------|
| Cash flow from operating activities | – | –8.4 | –47.3 |
| Cash flow from investing activities | – | –3.6 | –3.0 |
| Cash flow from financing activities | – | –0.9 | –1.6 |
| Total cash flow | – | –12.9 | –51.9 |
| Assets in operations held for sale | | | |
| Property, plant and equipment | – | 225.2 | – |
| Intangible assets | – | 7.3 | – |
| Financial assets | – | 13.9 | – |
| Current assets | – | 28.9 | – |
| Total assets | – | 275.3 | – |
| Liabilities in operations held for sale | | | |
| Trade and other payables | – | 43.7 | – |
| Non-current liabilities | – | 23.9 | – |
| Provisions | – | 101.4 | – |
| Total liabilities | – | 169.0 | – |
| Analysis of profit/loss from operations held for sale | | | |
| Income | – | 37.1 | 71.6 |
| Costs | – | –49.6 | –134.0 |
| Profit/loss from operations held for sale – before tax | – | –12.5 | –62.4 |
| Profit from operations held for sale | – | – | 107.1 |
| Income tax | – | – | 1.3 |
| Profit/loss from operations held for sale – after tax | – | –12.5 | 46.0 |

Note 2 Fair value estimation

The tables below show financial instruments at fair value on the basis of their classification in the fair value hierarchy. The definition of the various levels can be found in the Annual Report, Note 2.3. The tables below refer to total operations.

The Group's assets and liabilities measured at fair value as at March 31, 2016 (MSEK)

| | Level 1 | Level 2 | Level 3 |
|---|---------|---------|---------|
| Assets | | | |
| Financial assets at fair value through profit or loss | | 17,5 | 12,2 |
| Derivatives used for hedging | | 2,3 | |
| Liabilities | | | |
| Derivatives used for hedging | | 5,2 | |

The Group's assets and liabilities measured at fair value as at December 31, 2016 (MSEK)

| | Level 1 | Level 2 | Level 3 |
|---|---------|---------|---------|
| Assets | | | |
| Financial assets at fair value through profit or loss | | 17,7 | 12,3 |
| Derivatives used for hedging | | 2,2 | |
| Liabilities | | | |
| Derivatives used for hedging | | 5,9 | |

Fair value of the Group's borrowings (MSEK)

| | March 31, 2017 | December 31, 2016 |
|--------------------|----------------|-------------------|
| Non-current loans | 198,7 | 198,2 |
| Current loans | 0,0 | 0,0 |
| Total loans | 198,7 | 198,2 |

Reconciliations of key ratio

Return on capital employed

Amounts in SEK million

| | March 2017 | March 2016 | Full year 2016 |
|---|---------------|---------------|-------------------|
| Profit/loss after financial items | -9.4 | 2.1 | 8.3 |
| Financial costs according to the income statement | 4.1 | 4.2 | 25.0 |
| Fair value - foreign exchange losses | 3.3 | 4.4 | 0.5 |
| Total | -2.0 | 10.7 | 33.8 |
| Balance sheet total | 901.0 | 686.6 | 686.6 |
| Provisions and other long-term liabilities | -161.7 | -80.6 | -80.6 |
| Trade and other payables | -192.6 | -224.3 | -224.3 |
| Opening capital employed | 546.7 | 381.7 | 381.7 |
| Balance sheet total | 894.1 | 774.0 | 901.0 |
| Provisions and other long-term liabilities | -160.7 | -112.4 | -161.7 |
| Trade and other payables | -194.0 | -185.5 | -192.6 |
| Closing capital employed | 539.4 | 476.1 | 546.7 |
| Average capital employed | 543.0 | 428.9 | 464.2 |
| Return on capital employed | -0.4 | 2.5 | 7.3 |

Return on equity

Amounts in SEK million

| | March 2017 | March 2016 | Fyll year 2016 |
|------------------------------|---------------|---------------|-------------------|
| Net profit/loss for the year | -8.5 | 5.9 | 17.0 |
| Total | -8.5 | 5.9 | 17.0 |
| Opening equity | 348.5 | 298.3 | 298.3 |
| Closing equity | 340.7 | 285.3 | 348.5 |
| Return on equity | -2.5 | 2.0 | 5.3 |

Net debt

Amounts in SEK million

| | March 2017 | March 2016 | Full year 2016 |
|---------------------------|---------------|---------------|-------------------|
| Current borrowing | 0.0 | 0.0 | 0.0 |
| Non-current borrowing | 198.7 | 297.1 | 198.2 |
| Total liabilities | 198.7 | 297.1 | 198.2 |
| Cash and cash equivalents | 190.3 | 147.5 | 195.4 |
| Net debt | 8.4 | 149.6 | 2.9 |

Definitions of key figures and ratios

Some key figures and ratios used by company management and analysts to assess the Group's development have not been prepared in accordance with IFRS (International Financial Reporting Standards). The company management considers that these key figures and ratios make it easier for investors to analyze the Group's development.

Equity

The total of non-restricted and restricted equity at the end of the year. Average equity capital has been calculated as opening balance plus closing balance of equity capital, divided by two.

Equity per share

Equity divided by the number of shares at the end of the period.

Free cash flow

Cash flow from operating activities (after change in operating profit) minus cash flow from investing activities.

Sales revenue per employee

The year's net sales divided by the average number of employees.

Investments

Total of the acquisition of business/subsidiaries and acquisition of intangible asset and property, plant and equipment.

Average number of employees

Average number of employees at the end of each month.

Net debt

Total long-term and short-term borrowing less cash and cash equivalents.

Net debt-equity ratio

Interest-bearing net debt divided by equity including non-controlling interests.

Earnings per share

Profit for the year divided by the average number of shares. The average number of shares has been calculated as a weighted average of all shares in issue for the year.

Return on equity

Profit for the year as a percentage of average equity.

Return on capital employed

Profit/loss after financial items with financial expenses, fair value losses and foreign exchange losses added back, as a percentage of average capital employed. For the comparison year, capital employed has been adjusted by estimated values for operations held for sale, and only calculated on the closing balance.

Interest coverage ratio

Profit after financial income divided by the financial expenses.

Operating margin

Operating result after amortization as a percentage of net sales.

Equity/assets ratio

Equity including non-controlling interests as a percentage of the balance sheet total.

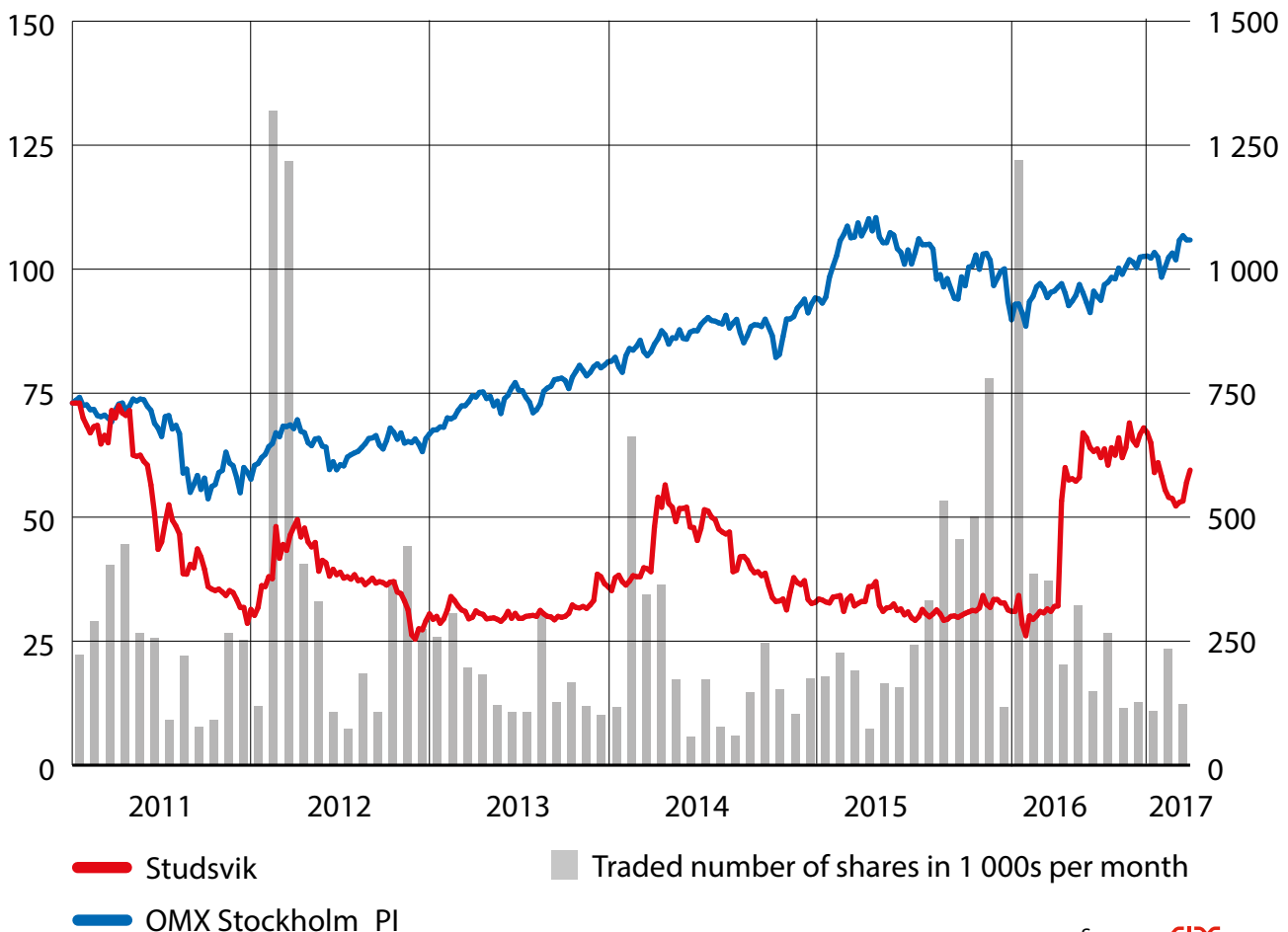
Capital employed

Balance sheet total less non-interest-bearing liabilities. Average capital employed has been calculated as opening balance plus closing balance of capital employed, divided by two.

Major shareholders, March 31, 2017

| | Number of shares | Share, % |
|--|------------------|--------------|
| Familjen Karinen | 1,769,552 | 21.5 |
| Briban Invest AB | 1,285,492 | 15.6 |
| Peter Gyllenhammar AB | 823,000 | 10.0 |
| Avanza Pensionsförsäkring AB | 422,439 | 5.1 |
| Credit Agricole Suisse SA | 363,879 | 4.4 |
| Malte Edenius | 250,000 | 3.0 |
| Invus Investment AB | 216,594 | 2.6 |
| Leif Lundin | 190,190 | 2.3 |
| Unionen | 152,709 | 1.9 |
| Nordnet Pensionsförsäkring AB | 130,485 | 1.6 |
| Total ten largest shareholders - holdings | 5,604,340 | 68.0 |
| Other shareholders | 2,614,271 | 32.0 |
| Total | 8,218,611 | 100.0 |

The Studsvik share



Source: SIX Financial Information

Facts about Studsvik

Studsvik offers a range of advanced technical services to the global nuclear power industry. Studsvik's business focus areas are fuel and materials technology, reactor analysis software and consultancy services within waste treatment technology, decommissioning, NORM and solutions for final disposal. The company has 70 years nuclear technology and radiological service experience. Studsvik has 700 employees in 7 countries and the company's shares are listed on the Nasdaq Stockholm

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